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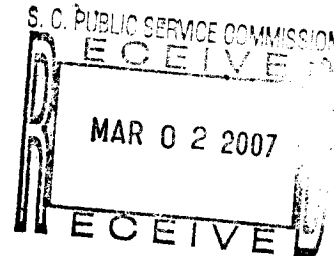
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526 S. Church St.  
Charlotte, N. C. 28202  
Carol E. Shrum, Vice President  
Duke Energy Carolinas  
EC12K / P.O. Box 1006  
Charlotte, N. C. 28201-1006  
704 382-9826  
704 382-4671 fax

2006-268-E

February 27, 2007



The Honorable Charles Terreni  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29211

Dear Mr. Terreni:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending December 31, 2006. Please feel free to call me at (704) 382-9826 or Veronica Williams at (704) 382-8071.

Yours truly,

*Carol Shrum*

Carol E. Shrum  
Rates

Enclosure

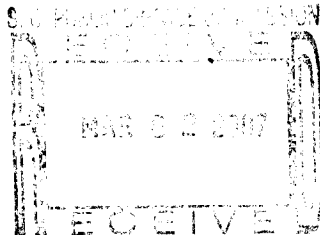
CES:jr

cc: Mr. Dukes Scott  
Executive Director  
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, David L. Hauser, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



David L. Hauser  
Signature of Chief Financial Officer

David L. Hauser  
Typed or Printed Name of Person Signing

Group Executive and Chief Financial Officer  
Title

2/21/07  
Date Signed

Ellen T. Ruff  
Signature of President

Ellen T. Ruff  
Typed or Printed Name of Person Signing

President, Duke Energy Carolinas  
Title

2/21/07  
Date Signed

Subscribed and sworn to before me this 21<sup>st</sup> day of February, 2007.

Brenda M. Atchley  
Notary Public

My Commission Expires: December 4, 2009

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric operating revenue	\$5,376,390		\$1,272,681	(\$1,373)	\$1,271,308
	Electric operating expenses:					
	Operation and maintenance:					
2	Fuel used in electric generation	1,378,083		345,646	(246)	345,400
3	Purchased power and net interchange	106,959		13,828	(16)	13,812
4	Wages, benefits, materials, etc.	1,459,817		363,326	(1,433)	361,893
5	Depreciation and amortization	881,277		164,371	5,534	169,905
6	General taxes	301,313		63,935	86	64,021
7	Interest on customer deposits	3,531		432	0	432
8	Income taxes	330,758		85,794	2,113	87,907
9	Amortization of investment tax credit	(8,827)		(2,207)	7	(2,200)
10	Total electric operating expenses	4,452,911		1,035,125	6,045	1,041,170
11	Operating income	\$923,479		237,556	(7,418)	230,138
12	Add: Customer growth adjustment				2,285	2,285
13	Income for return			\$237,556	(\$5,133)	\$232,423
14	Original cost rate base (b)			\$2,561,255	\$81,617	\$2,642,872
15	Rate of return on South Carolina retail rate base			9.27%		8.79%

Notes: (a) From Page 3, "Total adjustments" line.  
(b) From Page 4, Line 11.

Line No.	Description	South Carolina Retail			
		Total Company Capitalization December 31, 2006	Per Book Embedded	Pro forma Embedded	
		Amount (Col. 1)	Retail Rate Base (Col. 3)	Retail Rate Base (Col. 6)	Operating Income (Col. 8)
			Ratio (Col. 2)	Cost/ Return % (Col. 4)	Cost/ Return % (Col. 7)
1	Long-term debt	\$4,255,770	40.53%	5.87%	5.87%
2	Preferred stock	0	0.00%	0.00%	0.00%
3	Common equity	\$6,244,527	59.47%	11.60%	10.79%
4	Total	\$10,500,297	100.00%	\$2,561,255 (a)	\$2,642,872 (c)
				\$60,935	\$62,877
				0	0
				176,621	169,546
				\$237,556 (b)	\$232,423 (d)

Notes:

(a) From Page 4, Line 11, Column 2.

(b) From Page 1, Line 13, Column 2.

(c) From Page 4, Line 11, Column 4.

(d) From Page 1, Line 13, Column 4.

(e) If adjusted for weather, this rate would be 10.91%.

(f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$56 million for the 12 mos ended 12/31/06. A net of tax South Carolina Retail allocation of profits would amount to approximately \$9 million.

Duke Energy Carolinas, LLC  
 DETAIL OF ACCOUNTING ADJS - SOUTH CAROLINA RETAIL  
 SC Quarterly for December 31, 2006  
 (Thousands of Dollars)

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages, Benefits, Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To annualize depreciation on year-end plant					\$2,665			(\$1,047)		(\$1,618)
2	To annualize wage rate increases				\$2,283		\$179		(967)		(1,495)
3	To annualize property taxes on year end plant						(471)		185		286
4	To reflect CWIP closings to plant					3,324	633		(1,555)		(2,402)
5	To adjust income taxes to reflect interest synchronization								4,190		(4,190)
6	To exclude Greenwood operations	(1,373)	(\$246)	(\$16)	(3,716)	(455)	(255)	\$0	1,307	\$7	2,001
7	Total adjustments	(\$1,373)	(\$246)	(\$16)	(\$1,433)	\$5,534	\$86	\$0	\$2,113	\$7	(\$7,418)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	\$20,993,213		\$5,296,268	\$96,032	\$5,392,300
2	Less: Accumulated depreciation and amortization	<u>(9,107,904)</u>		<u>(2,320,967)</u>	<u>(5,989)</u>	<u>(2,326,956)</u>
3	Net electric plant	11,885,309		2,975,301	90,043	3,065,344
4	Add: Materials and supplies	561,595		148,201	(4,300)	143,901
5	Working capital investment	402,856		97,665	0	97,665
6	Plant held for future use	3,661	31.6962%	1,160	0	1,160
7	Less: Accumulated deferred taxes	(1,644,480)		(500,429)	0	(500,429)
8	Operating reserves	(585,719)		(148,171)	0	(148,171)
9	Customer deposits	(51,274)		(12,472)	0	(12,472)
10	Greenwood				<u>(4,126)</u>	<u>(4,126)</u>
11	Total original cost rate base	<u>\$10,571,948</u>		<u>\$2,561,255</u>	<u>\$81,617</u>	<u>\$2,642,872</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$10,283,997		\$2,581,452	\$54,705	\$2,636,157
2	Transmission	1,996,273	19.4079%	387,435	11,152	398,587
3	Distribution (b)	7,078,700	26.7751%	1,895,329	24,350	1,919,679
4	General	568,467	25.2070%	143,293	5,810	149,103
5	Intangible	<u>269,753</u>	24.9262%	<u>67,239</u>	<u>15</u>	<u>67,254</u>
6	Subtotal	20,197,190		5,074,748	96,032	5,170,780
7	Nuclear fuel	<u>796,023</u>	27.8283%	<u>221,520</u>		<u>221,520</u>
8	Total electric plant in service	<u>\$20,993,213 (a)</u>		<u>\$5,296,268</u>	<u>\$96,032</u>	<u>\$5,392,300</u>

Notes: (a) Excludes electric plant held for future use of..... \$3,661  
and electric plant acquisition adjustment of..... \$284

(b) The accounting adjustment in Col. 3 represents  
non-growth related additions to distribution plant.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$4,435,719		\$1,119,029	\$2,792	\$1,121,821
2	Transmission	960,930	19.3299%	185,747	533	186,280
3	Distribution	2,935,535		806,800	2,309	809,109
4	General	42,854	25.1298%	10,769	352	11,121
5	Intangible	192,286	25.0606%	48,188	3	48,191
6	Subtotal	8,567,324		2,170,533	5,989	2,176,522
7	Nuclear fuel	540,580	27.8283%	150,434		150,434
8	Total accum depreciation and amortization	<u>\$9,107,904 (a)</u>		<u>\$2,320,967</u>	<u>\$5,989</u>	<u>\$2,326,956</u>

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam production plant	4.20%
10	Nuclear production plant (excluding nuclear decommissioning)	1.97%
11	Hydro production plant	2.74%
12	Combustion turbines	3.09%
	Transmission plant:	
13	Right-of-way	1.41%
14	Other	2.81%
15	Distribution plant	3.11%
16	General plant	2.38% - 11.88%
17	Intangible plant	20.00%

Note: (a) Excludes amortization of electric plant acquisition adjustment of.....

\$150



Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel stock:				(a) & (b)	
1	Coal	\$224,421	27.8283%	\$62,453	(\$4,804)	\$57,649
2	Oil	<u>26,283</u>	27.8283%	<u>7,314</u>	<u>504</u>	<u>7,818</u>
3	Total fuel stock	250,704		69,767	(4,300)	65,467
4	Other electric materials and supplies and stores clearing	<u>310,891</u>	25.2287%	<u>78,434</u>	<u>0</u>	<u>78,434</u>
5	Total materials and supplies	<u>\$561,595</u>		<u>\$148,201</u>	<u>(\$4,300)</u>	<u>\$143,901</u>

Notes: (a) Adjustment to per book coal inventory balance  
to reflect target inventory level.

Coal inventory target level (in tons)	2,922,240		
Price per ton - coal	<u>\$70.89</u>		
Total company pro forma inventory	<u>\$207,158</u>	27.8283%	\$57,649
Per book coal inventory			<u>62,453</u>
Coal adjustment			<u>(\$4,804)</u>

(b) Adjustment to per book oil inventory balance  
to reflect target inventory level.

Oil inventory target level (in gallons)	21,122,000		
Price per gallon - oil	<u>\$1.33</u>		
Total company pro forma inventory	<u>\$28,092</u>	27.8283%	\$7,818
Per book oil inventory			<u>7,314</u>
Oil adjustment			<u>\$504</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve months operating and maintenance expenses, exclusive of purchased power and nuclear fuel expense	<u>\$2,705,871</u>		<u>\$672,275</u>		<u>\$672,275</u>
2	1/8 of O&M expenses on line 1	\$338,234		\$84,034		\$84,034
3	Less: Average taxes accrued	<u>(178,217)</u>		<u>(40,402)</u>		<u>(40,402)</u>
4	Subtotal	160,017		43,632	\$0	43,632
5	Required bank balances	159	25.2972%	40		40
6	Bond reacquisition premiums	102,967		18,771		18,771
7	Prepayments	139,713	25.2104%	35,222		35,222
8	Total working capital investment	<u>\$402,856</u>		<u>\$97,665</u>	<u>\$0</u>	<u>\$97,665</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$446,495	25.0030%	\$111,637	\$0	\$111,637
2	Transmission	48,349	19.4079%	9,384	0	9,384
3	Distribution	94,359	26.7751%	25,265	0	25,265
4	General	9,691	25.2070%	2,443	0	2,443
5	Intangible	54,383	24.9262%	13,556	0	13,556
6	Total construction work in progress	<u>\$653,277</u>		<u>\$162,285</u>	<u>\$0</u>	<u>\$162,285</u>

Line No.	Description	
	12 Months Ended December 31, 2006	
1	SEC Fixed Charges Coverage	3.4
2	Earnings per Share	\$1.59

Line No.	Item	Total Company	Wholesale Jurisdiction	% of Total	N.C. Retail	% of Total	S.C. Retail	% of Total
1	Operating Revenues (\$000s)							
2	Residential	\$1,958,238			\$1,510,389	77.1300%	\$447,849	22.8700%
3	Commercial	\$1,611,800			\$1,267,872	78.6619%	\$343,928	21.3381%
4	Industrial	\$1,084,034			\$677,793	62.5250%	\$406,241	37.4750%
5	Public Street & Hghwy Lighting	\$30,441			\$25,971	85.3164%	\$4,470	14.6836%
6	Interdepartmental	\$0			\$0	0.0000%	\$0	0.0000%
7	Sales for Resale:							
8	Special Contract	\$306,245	\$256,579	83.7823%	\$36,125	11.7961%	\$13,541	4.4215%
9	Other	\$63,796	\$63,796	100.0000%				
10	Total Rev from Sales of Electr	\$5,054,554	\$320,375	6.3383%	\$3,518,149	69.6036%	\$1,216,029	24.0581%
11	Kilowatthour Sales (000s)							
12	Residential	25,146,530			19,037,927	75.7080%	6,108,603	24.2920%
13	Commercial	25,584,794			20,092,313	78.5322%	5,492,481	21.4678%
14	Industrial	24,396,113			14,344,779	58.7994%	10,051,333	41.2006%
15	Public Street & Hghwy Lighting	269,230			227,459	84.4851%	41,771	15.5149%
16	Interdepartmental	0			0	0.0000%	0	0.0000%
17	Sales for Resale:							
18	Special Contract	5,536,591	4,638,686	83.7823%	653,102	11.7961%	244,803	4.4215%
19	Other	1,557,076	1,557,076	100.0000%				
20	Total KWH Sales	82,490,334	6,195,762	7.5109%	54,355,581	65.8933%	21,938,991	26.5958%
21	Revenue Per KWH Sold (Cents)							
22	Residential	7.79			7.93		7.33	
23	Commercial	6.30			6.31		6.26	
24	Industrial	4.44			4.73		4.04	
25	Public Street & Hghwy Lighting	11.31			11.42		10.70	
26	Interdepartmental	0.00			0.00		0.00	
27	Sales for Resale:							
28	Special Contract	5.53	5.53		5.53		5.53	
29	Other	4.10	4.10					
30	Total Revenue per KWH Sold	6.13	5.17		6.47		5.54	